

Washington, DC— Congressman Joe Sestak (D-PA) voted today for H.R. 400, the War Profiteering Prevention Act. This legislation will create a new federal criminal fraud offense to prohibit fraudulent acts involving the provision of goods or services in connection with a mission of the U.S. government overseas. Congress passed H.R. 400 by an overwhelming margin, by a vote of 375-3 in the House. — “Investigators need to have all the tools they need to protect the American taxpayer from fraud,” said Congressman Sestak. “War profiteering and fraud by U.S. companies have become a significant problem in the Iraq War. The Special Inspector General for Iraq found that the former Coalition Provisional Authority cannot account for nearly \$8.8 billion in funds, and I will work with my colleagues in Congress to pass legislation that goes after U.S. contractors defrauding American taxpayer in Iraq and other war zones.”

Currently there are more than 70 investigations open by the Special Inspector General for Iraq Reconstruction. Given the large numbers of investigations the lack of prosecutions is appalling. This bill fixes many of the inadequacies of current law.

Under this legislation war profiteering becomes a federal felony, subject to 20 years in prison and fines of up to \$1 million or twice the illegal profits of the crime. H.R. 400 also helps close the loophole recently identified in which 37 counts of fraud and \$10 million in damages were thrown out by a federal judge. The bill confers jurisdiction to U.S. federal courts to hear such cases.

“The actions of the federal government are funded by taxes paid by the American people. As a Congress, we must jealously guard any money spent on their behalf. This bill is a good effort to punish those would take advantage of war situations in Iraq and Afghanistan to defraud the U.S. government and the American people.”

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.